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IDAHO PUBLIC
UTILITIES COMMISSION

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December 30, 2015

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington Street
Boise, ID 83702

Re: **Case Nos. AVU-E-15-05 and AVU-G-15-01**
Answer of Avista Corporation to Petition for Reconsideration

Enclosed for filing with the Commission in the above-referenced docket are the original and seven copies of Avista Corporation's Answer to Mr. Craig Kerwin's Petition for Reconsideration which was filed on December 28, 2015.

Please direct any questions related to this filing to Patrick Ehrbar at 509.495.8620 or Liz Andrews at 509.495.8601.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Meyer", with a horizontal line extending to the right.

David J. Meyer
Vice President, Chief Counsel for Regulatory
& Governmental Affairs

Enclosures

c: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 30th day of December, 2015, served the Answer of Avista Corporation To Petition For Reconsideration, upon the following parties, by mailing a copy thereof, properly addressed with postage prepaid to:

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IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION DBA AVISTA) CASE NOS. AVU-E-15-05
UTILITIES FOR AUTHORITY TO INCREASE) AVU-G-15-01
ITS RATES AND CHARGES FOR ELECTRIC)
AND NATURAL GAS SERVICE IN IDAHO) ANSWER OF AVISTA
CORPORATION TO PETITION FOR
RECONSIDERATION)

1 Comes Now, Avista Corporation, by and through its undersigned attorney, and pursuant to
IDAPA 31.01.01 (Rule 331), answers the Petition for Reconsideration of Order No. 33437
filed by Mr. Craig Kerwin on December 28, 2015.

2 At the outset, Avista wishes to thank Mr. Kerwin for the interest expressed in the outcome
of these dockets and is sorry for any inconvenience experienced by Mr. Kerwin and other
customers during the recent wind and snow storms. Avista wishes to assure Mr. Kerwin and
other customers that the Company made substantial efforts to restore power as quickly as
reasonably possible.

3 More particularly addressing Mr. Kerwin's concerns over executive compensation, Avista
notes that this matter was specifically addressed by the parties in reaching the Settlement that

was approved by the Commission in its Order No. 33437, on December 18, 2015. That Order approved a Settlement that, by its express terms, removed all officer incentive pay from the approved rates. (See, Stipulation and Settlement, dated October 15, 2015, at Sections 7(h) and 9(h)). What remained was officer compensation based on existing salary levels as of March of 2015, with no increase for 2016. Existing rates had previously reflected officer salary levels as of 2011.

4 In conclusion, officer compensation was just one of many issues addressed in the Settlement. As noted by the Commission in its Order No. 33437, at p. 10, “[t]he settlement represents a reasonable compromise of the positions held by the parties and reflects a significant reduction in the requested revenue increase.”

5 Avista appreciates the opportunity to hear from its customers, but believes that these concerns have been addressed in the approved Settlement.

Respectfully submitted this 30th day of December, 2015

By: 
David J. Meyer
Vice President and Chief Counsel for Regulatory
and Governmental Affairs